

Senate Study Bill 1110 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON HOGG)

A BILL FOR

1 An Act relating to the boards of directors of public
2 corporations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. REPEAL. 2011 Iowa Acts, chapter 2, section 9,
2 is repealed.

3 EXPLANATION

4 BACKGROUND. In 2011, the 84th General Assembly enacted
5 S.F. 325 which provides for the management of a public
6 corporation, formed under the Iowa business corporation Act,
7 by its board of directors (Code chapter 490). The Act defines
8 a public corporation (Code section 490.140), and requires
9 that a public corporation divide its directors into three
10 equal groups, referred to as "classes", elected by the public
11 corporation's holders of common shares, with each class serving
12 staggered three-year terms (Code section 490.806A). The Act
13 also excuses certain public corporations from the staggered
14 term requirement. Finally, the Act requires that the board
15 of directors of an unexcused public corporation amend its
16 articles of incorporation to comply with the Act's staggered
17 term requirement (Code section 490.1005A). The Act does not
18 prohibit a public or private corporation from including a
19 provision in its articles of incorporation requiring staggered
20 terms for its directors as generally allowed under the Code
21 chapter (Code section 490.806). The Act is repealed on
22 December 31, 2014. The Act's future repeal date provides
23 for the continued applicability of the public corporation's
24 articles of incorporation as amended.

25 BILL'S REPEAL OF ACT'S REPEAL. The bill repeals the Act's
26 future repeal effective July 1, 2013.